

STANDARD FORMAT FOR ANNUAL UTILITY SERVICE REVIEW

Date review completed: _____

I. Introduction:

- A. Statement of review requirement: "Agencies shall review all utility accounts with annual values exceeding the small purchase threshold on an annual basis." (see FAR 41.401)
- B. Purpose of the annual review: "The purpose of the annual review is to ensure that the utility supplier is furnishing the services to each facility under the utility's most economical, applicable rate and to examine competitive markets for more advantageous service offerings." (see FAR 41.401)
- C. Findings from the annual review: Findings from the annual review should be documented and placed in the utility contract file.

II. Identification of utility service that is the subject of this review:

- A. Service Address & Delivery Point ID
- B. Supplier Name

C. Contract or other identifying number(s): _____

III. Actions recommended to ascertain if more advantageous service is available from another supplier:

- A. Contact the governing regulatory body(ies) having jurisdiction over provision of the required service and determine which suppliers (if any), other than the current supplier, are authorized to provide the required service.
- B. Through telephone conversations with the supplier(s) identified in (a), above, determine if any are interested in providing the required service.
- C. If additional interested suppliers are authorized to provide the service, determine whether the potential for more advantageous service from these suppliers is sufficient to justify termination of the existing arrangement. This determination should be based on a comparison of (1) savings likely to result from competing the Government's requirements, and (2) the Government's total cost of competing its requirements and terminating the existing arrangement.

D. If likely net savings are sufficient justification, compete the delivery point's requirements.

IV. Actions recommended to determine if service is billed under a supplier's most advantageous rate schedule:

A. Determine the date on which the last previous analysis was conducted to identify the supplier's most advantageous rate schedule.

B. If no changes have occurred since the last analysis that would allow the delivery point to qualify for service under a rate schedule not previously applicable or available, no further analysis is required. Examples of such changes are a change in the character or volume of the required service or the issuance by the supplier of a new rate schedule for which the facility could qualify. If no such changes have occurred, the file should be so documented and service continued under the existing rate schedule.

C. If changes have occurred since the last analysis that make applicable or available new rate schedules, obtain a copy of each applicable new rate schedule and a record of the delivery point's actual service usage during the past 12 months. This record should include data on all "billing determinants," i.e., factors on which utility bills are dependent such as kilowatts and kilowatt hours for electricity, kilojoules (Mcf) for natural gas, etc.

D. Adjust the past 12 months' billing determinants, as necessary, to reflect the billing determinants expected during the next 12 months.

E. Using the billing determinants described in (d), above, calculate the net annual cost of service under each rate schedule for which (1) the delivery point can qualify, and (2) delivery point service requirements are satisfied.

Note: If service under a rate schedule considered in (e), above, would result in costs in addition to those identified in that rate schedule, e.g., the Government's cost of maintaining dual fuel capabilities when an interruptible schedule is used, add these costs to the associated annual cost finding.

Reviewed By (Name and Title)

Signature

Date
